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SUBJECT: UKRAINE: COALITION STABLE FOR NOW, RADA GETS BACK
TO WORK

REF: KYIV 000474

Classified By: Ambassador for reasons 1.4(b,d).

11. (C) Summary. The Rada returned to work on March 6 after nearly a month's impasse, while Presidential Chief of Staff Baloha reassured the Ambassador that there was no plan to undermine the Prime Minister. Baloha said that he believed that Tymoshenko was conspiring against Yushchenko and he made clear his own dislike for Tymoshenko, but said that he believed Yushchenko and Tymoshenko were "doomed" to work together. He also acknowledged that while he and like-minded people, such as Rinat Akhmetov and Volodymyr Lytvyn, had found a common language, there were no imminent plans to form a new political force. Akhmetov's right-hand man Kolesnikov told the Ambassador that he thought Yushchenko would eventually force Tymoshenko out, but not until rampant inflation and rising food prices had tarnished her popularity. Meanwhile, the Rada came back to work on March 6 after agreeing on a resolution that calls for a referendum before any decisions are made regarding NATO membership and instructing Yatsenyuk to inform NATO headquarters about this. The resolution garnered 248 votes, mainly supported by the Party of Regions and the Lytvyn Bloc. Afterwards, the Rada ratified ten other international agreements, the most important being the GUAM statute that gives official status to the organization's Secretariat here in Kyiv. The coalition, however, could not muster enough votes to include on the agenda the first reading of the bill on parliamentary immunity. The Rada met again March 7, where it voted to set up commissions to investigate Kyiv Mayor Chernovetskiy, Kharkiv Mayor Dobkin, and Interior Minister Lutsenko. Once again, the coalition lacked the votes to get parliamentary immunity onto the agenda.

12. (C) Comment. Now that the Rada has met, the constitutional provision that says the President can dismiss the parliament if it fails to hold a session for more than 30 days is not currently an issue, which in turn will quiet speculation about pre-term elections for now. It seems that in the Ambassador's recent conversations with the President's team and key Regions members (see also reftel), efforts to create a new coalition will not come to fruition in the near term. In fact, some of Tymoshenko's most ardent opponents have argued that to remove her now would only increase her popularity and, therefore, the chances of her winning the next presidential election. The fact, however, that the coalition could not produce 226 votes to support its own measures underscores how difficult it will be for the government to make progress on its legislative program. End summary and comment.

Baloha: Tymoshenko is Plotting, But We'll Leave Her Alone

13. (C) In a March 6 meeting, the Ambassador asked

Presidential Chief of Staff Baloha about the rumors that he was working against the coalition. Baloha said he did not take the rumors very seriously -- they were just speculation stirred up by Tymoshenko's foreign policy team in order to paint Yushchenko as a pawn of the Donetsk Clan and to fool westerners. Baloha said that he does not like the Donetsk Clan; it was thanks to him that there had been early elections in 2007 (implying that he had reined in the Donetsk Clan), and that the Secretariat had no plans to undermine the coalition. Baloha said he was afraid that Tymoshenko was trying to rock the boat to speed the situation toward a presidential election. He added later -- addressing speculation in political circles -- that he did not want to be PM, and if he had wanted to be Speaker, he would have taken his seat in the Rada last fall (Baloha was elected to the Rada on the Our Ukraine-People's Self Defense list).

14. (C) Baloha said that he had good relations with Akhmetov and Lytvyn -- they were people who got things done, not just talked about them -- but a new bloc in the Rada was not on the agenda. However, he could not exclude such a force in the future. He added that if it were not for Akhmetov, the Rada would now be conducting an impeachment process against Yushchenko. According to Baloha, Tymoshenko had considered a deal with Yanukovych, where the latter could be Speaker in exchange for the impeachment. Her end goal was that there would be new elections, BYuT and Regions would increase number of seats until they got to 300, then they would divide up power. Former Kuchma Chief of Staff Medvedchuk had designed the plan, and Yanukovych had agreed to it. However, Yanukovych did not control enough MPs on his own to execute the plan, and Akhmetov had stopped it.

15. (C) Baloha said that when the Ambassador (and others)

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asked why he was trying to destroy the coalition, it really got his juices going, because it was not he who was working to undermine the coalition. He said Tymoshenko was playing the game well and fooling the West (presumably into believing that she was the wronged party). And when Tymoshenko talked about the democratic coalition, it made Baloha laugh because he knew what she was up to. Baloha recounted the story of the most recent Yushchenko-Tymoshenko-Yatsenyuk meeting, during which Tymoshenko had complained to Yushchenko that Baloha was criticizing her and undermining the coalition. Baloha said that he countered, telling Yushchenko that it was Tymoshenko who had twice asked him (Baloha) to betray Yushchenko, telling Baloha "if we unite, we can do anything."

Baloha asked Yushchenko why they had created a coalition with her if she was going to collude with Nestor Shufrych and Viktor Medvedchuk. According to Baloha, Tymoshenko denied all the charges, but Yushchenko had responded that Baloha was someone who usually spoke the truth.

16. (C) Baloha said that on March 5, Tymoshenko had met with the BYuT Rada faction and told them to prepare for pre-term elections. The purpose of her saying this was to make her MPs behave and get them all in line by scaring them about needing to protect their spots on the party list. Afterwards, some BYuT MPs called Baloha to ask if there were really going to be new elections because they had been asked for money. He told them that there would be no elections. In the end, Baloha admitted that Tymoshenko and Yushchenko were doomed to work together, because they didn't have any alternatives.

17. (C) The Ambassador asked about Baloha's future ambitions, given his departure from People's Union Our Ukraine. Baloha said that during the compromise for the 2007 elections, he had found a common language with Akhmetov, but was he not in a hurry to announce any new plans. If Yushchenko decides to run for a second term, he will work in his election headquarters. He left PUOU because they had announced plans to form a single party by December 2007 and had not done so. The "garbage that exists" in Our Ukraine now was not a real

party, it was a group of "liars" who only cared about getting their deputy mandates and had no other goals or purposes. By leaving the party, he hoped to draw attention to this problem. Yushchenko had disapproved of his leaving and Yatsenyuk had asked Yushchenko to prevent his departure, but after a serious conversation about it, he still felt he had to go.

Kolesnikov: Tymoshenko Will Go by Early Summer

18. (C) Regions MP and Akhmetov ally Kolesnikov told the Ambassador March 7 that he believed the Tymoshenko government was short-lived, but would probably not collapse until early summer. The President, he said, had to wait until her popularity dropped before he forced her out. Right now, her ratings were too high and being fired would not put a dent in that. On the other hand, Kolesnikov argued, when food prices start to go up as inflation rises, her popularity will drop and Yushchenko can remove her. Yushchenko needed her out of office some time this year, he said, because they represent the same electorate and the presidential election is getting closer. Kolesnikov said that he hoped the Rada would continue to work now that it had been unblocked, but the Rada was an unpredictable institution and it was hard to say.

Rada Goes Back to Work

19. (SBU) Finally ending almost a month of inaction, the Rada came back into plenary session on the afternoon of March 6. This resets the constitution's 30-day clock -- that the President can (but does not have to) dismiss the Rada if it fails to meet within 30 days of its previous plenary meeting -- which many politicians had been citing as a pretext for new pre-term elections. The factions agreed on a resolution to resolve the NATO issue, which was passed with 248 votes in support -- unanimous support from Regions and Lytvyn Bloc and weak support from BYuT and OU-PSD. The Communists refused to register. The resolution says: to take into consideration that adoption of decisions on Ukraine's accession to NATO is only possible after the outcome of an all-Ukrainian referendum, which can be held after Ukraine implements all necessary procedures in its relations with NATO; and it requires Yatsenyuk to inform the NATO Secretary-General of this resolution.

110. (SBU) With that out of the way, the Rada recessed briefly and then reconvened to set an agenda. In total, it ratified 10 agreements, the most significant being the GUAM statute,

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which gives official status to the organization's Secretariat and which passed with only 226 votes in favor. The other votes were related to agreements signed between Ukraine and neighboring states, including the EU, Hungary, the Slovak Republic, and Georgia, and several European and/or international conventions. The coalition was unable to muster enough votes to put a bill abolishing immunity for parliamentary deputies on the agenda -- only 224 votes in favor -- prompting Regions MP Yefremov to that the coalition does not have enough votes to adopt its own bills.

111. (SBU) The Rada reconvened the morning of March 7 and after two hours of debate, OU-PSD faction leader Kyrylenko still could not get 226 votes to put lifting parliamentary immunity on the agenda. (Note. It is unclear whether the coalition simply did not have 226 MPs in the session hall, or if some coalition MPs simply don't support the bill. End note.) Motions to add to the agenda the creation of 3 investigative committees -- on Kyiv Mayor Chernovetskiy, on Kharkiv Mayor Dobkin, and on Interior Minister Lutsenko -- had failed on March 6, but all passed on March 7. Interestingly, PSD voted for the creation of the Lutsenko commission, most likely to demonstrate their position that there is "one law for everyone" and to justify the

Chernovetskiy commission, which they want strongly.

¶12. (U) Visit Embassy Kyiv's classified website:
www.state.sgov.gov/p/eur/kiev.
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